Andy Beshear Governor

Kerry B. Harvey Secretary

Ray A. Perry Deputy Secretary



**Kentucky Real Estate Authority Kentucky Real Estate Commission** 

Mayo-Underwood Building 500 Mero Street, 2NE09 Frankfort, Kentucky 40601 Phone: (502) 564-7760 https://krec.ky.gov Robert L. Astorino
Executive Director

John L. Hardesty General Counsel

# KENTUCKY REAL ESTATE COMMISSION (KREC)

# MEETING MINUTES July 15, 2021

\* This meeting occurred via Zoom Teleconferencing, pursuant to KRS 61.826\*

#### **Commission Members Present**

Commissioner Chair, Lois Ann Disponett Commissioner Larry Disney Commissioner James Simpson

Commissioner Steve Cline Commissioner Raquel Carter Commissioner Anthony Sickles

#### **KREA Staff**

Robert Laurence Astorino, Executive Director John Hardesty, General Counsel Brian Travis, Investigator Terri Hulette, Executive Administrative Secretary Angie Reynolds, Administrative Specialist III

#### **Guests Present**

Ashlee Johnson

Brenda Gooslin

Cathy Corbett

Charles Hinkley

Cori Zaring

Donna Miller

Douglas Meyers

Earlene Woods
Gina Schaal
Janine Wilson
Jason Vaughn
Jeff Hinkle
Jeff Thornton
Jim DeMaio (RASK)
Judy Ball

Kim Whalen
Linda Flickinger
Linda Fernandez
Maggie Harper
Marcie Estepp
Nicole Knudtson
Pam Carroll
Pam Featherstone



Paul Ogden

R. Jeffery Hinkle

Rene Rogers Rhonda Richardson Ron Brossart

**Shantil Newton** 

Steve Lewis

**Steve Stevens** 

Tom Cox

Tracy's Phone

Virginia Lawson

# Call to Order and Guest Welcome

The Kentucky Real Estate Commission meeting was called to order through video teleconference by Commission Chair, Lois Ann Disponett, at 9:00 a.m. on July 15, 2021. Roll call was taken and a quorum was present. Guests in attendance were welcomed and introductions of guests, staff, and commissioners were made.

## **Approval of Meeting Minutes**

Commissioner Simpson made a motion to approve the April 15, 2021 Meeting Minutes Commissioner King seconded the motion. With all in favor, the motion carried.

Commissioner Simpson made a motion to approve the June 17, 2021 Meeting Minutes Commissioner Disney seconded the motion. With all in favor, the motion carried.

# **Education and Licensing Report**

Ms. Hannah Carlin presented the Commission the following:

### 1. PSI Testing Statistics

### June 2021 (First Time)

Type of Exam	Passed	% Passed	Failed	% Failed	Total
				ē:	Exams
License Reciprocity- Broker	2	50.00	2	50.00	4
License Reciprocity- Salesperson	6	54.55	5	45.45	11
Broker- National	9	75.00	3	25.00	12
Broker- State	9	60.00	6	40.00	<b>1</b> 5
Salesperson- National	109	70.78	45	29.22	154
Salesperson- State	87	55.41	70	44.59	157
TOTAL	222	62.89	131	37.11	353



# June 2021 (Repeat)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity- Broker	0	0.00	1	100.00	1
License Reciprocity- Salesperson	5	83.33	1	16.67	6
Broker- National	4	30.77	9	69.23	13
Broker- State	3	30.00	7	70.00	10
Salesperson- National	31	31.00	69	69.00	100
Salesperson- State	51	41.13	73	58.87	124
TOTAL	94	37.01	160	62.99	254

# 2021 (Cumulative)

Type of Exam	Passed	% Passed	Failed	% Failed	Total
					Exams
License Reciprocity- Broker	12	50.00	12	50.00	24
License Reciprocity-	51	65.38	27	34.62	78
Salesperson		28			
Broker- National	60	63.83	34	36.17	94
Broker- State	55	55.00	45	45.00	100
Salesperson-National	855	59.38	585	40.63	1,440
Salesperson- State	857	53.80	736	46.20	1,593
TOTAL	1,890	56.77	1,439	43.23	3,329

# 2. Licensing Statistics

# As of July 12, 2021

Туре	Active	Inactive	TOTAL
Sales Associate	11,838	5,721	17,559
Broker	3,830	815	4,645
TOTAL	15,668	6,536	22,204



# New Licenses Issued in 2021 (by month)

Month	Sales Associate	Broker	Total
January	109	10	119
February	172	14	186
March	122	5	127
April	163	12	175
May	138	7	145
June	138	8	146
July			
August		7	
September	5,		
October	e û		т,
November		-	
December		=	
TOTAL	842	56	898

The July 2021 Continuing Education Applications were reviewed for compliance with 201 KAR 11:170 and recommended to the Commission for approval by Hannah Carlin.

Ms. Carlin presented the July 2021 licensing requests:

# **Broker Curriculum Courses**

## **Kentucky Realtor Institute**

Course Name- Course Number	Instructors	Broker Hours	
Property Management (23330)	Art Reed	48	



## **Kentucky Realtor Institute**

Course Name- Course Number	Instructors	CE Hours	PLE Hours
	45		2
Becoming a Biz Wiz (23334)	Cora Henderson, Kelly Human	1 law	1 elective
COE: The Ethical and Lawful Use of Media (23339)	Marki Lemons-Ryhal	3 elective	3 technology and data security
Divorce and Foreclosure Issues in Real Estate (23335)	Jennifer Fields	1 law	1 elective
Fraud: Sex, Lies, and Videotape (23331)	Dennis Stilger	1 law	1 risk management
R.I.P. – Real Information about Property (in an Estate and Trust) (23333)	Cora Henderson, Kelly Human	1 law	1 risk management
SPD: The ONE Form Your Client MUST Get Right (23332)	Dennis Stilger	1 law	1 disclosure
The Art of Personal Safety for Real Estate Professionals (23338)	Jennifer Cassetta	3 elective	1 elective, 2 risk management
Thrive in Real Estate During the Age of Amazon (23337)	Nobu Hata	3 elective	3 technology and data security

## **Lexington Bluegrass Association of Realtors**

Course Name- Course Number	Instructors	CE Hours	PLE Hours
ANICL Devidencial Managing Shoulderds (2404C)	Woodrow Wilson	3 law	3 elective
ANSI Residential Measuring Standards (21046)			E
CMA 101 (22359)	Woodrow Wilson	3 elective	3 agency
CMA 102 (21079)	Woodrow Wilson	3 elective	3 agency
Commercial Sales Introduction (22026)	Woodrow Wilson	3 elective	3 elective
Let's Talk Contracts (23329)	Virginia Lawson	3 law	3 contracts
Residential Environmental Issues (23056)	Woodrow Wilson	3 law	1 elective, 2 risk management
The Money Pit (23055)	Woodrow Wilson	3 law	3 disclosure

# **Broker Electives/NAR Designation Courses**

# **Lexington Bluegrass Association of Realtors**

Course Name- Course Number	Instructors	Broker Elective Hours	CE/PLE Hours
Short Sales and Foreclosures (23340)	Sandy Huweł	7	CE: 3 elective, 3 law PLE: 3 elective, 3 finance

# **Instructors**

- a. Marki Lemons-Ryhal
- b. Jennifer Cassetta
- c. Nobuyuki Hata



Commissioner Cline made a motion to approve the list of applications. Commissioner Simpson seconded the motion. Commissioner Disney abstained from the discussion and the vote. Remaining all in favor, motion carried.

## Ms. Carlin presented the July 2021 licensing requests:

- 1. 270963 Commissioner King made the motion to approve with an updated back ground check. Commissioner Disney 2nd. Having all in favor, motion carried.
- 2. 270998 Commissioner Carter made the motion to approve. Commissioner Simpson 2nd. Having all in favor, motion carried.
- 3. 271257 Commissioner Carter made the motion to approve. Commissioner Simpson 2nd. Having all in favor, motion carried.
- 4. 271358 Commissioner Carter made the motion to approve. Commissioner Simpson 2nd. Having all in favor, motion carried.

#### **Request to Continue Offering Webcam Courses**

Back in 2020 the Commission decided to allow courses that had previously been taught in a classroom to be conducted via webcam during the State of Emergency (SOE). That allowance will end when the SOE ends. Because we don't know the official date that the SOE will end many providers are asking for an extension until the end of the year (2021).

Commissioner Simpson made a motion to approve the request to offer extended webcam courses to the end of the year. Commissioner Carter seconded the motion. All in favor, motion carried.

#### **Executive Director Comments**

Director Astorino welcomed everyone. He has four items that he would like to discuss with the Commission. One of which is that all KREA staff has returned to the office. Much of the staff are continuing to work remotely for one to two days out of the week, the remainder of that week is spent in the office.

Two, there has been minor adjustments to the way KREC was staffing prior to the SOE, one will be more focus on cross training. In addition to realigning some additional responsibilities among other employees. Remember there are only 12 staff members. However, the staff is happy, healthy and ready to go.

Third, everything for the insurance rebid will be ready by the end of next week. The Director stated he will be meeting next Monday with the insurance provider. It is his hope that the remaining information will be input into eMars and sent to the provider by the end of next week. We are a month ahead of schedule in our request. He would rather have everything completed and in place early, in case there are any unexpected issues.

KREC has also made some enhancements concerning the tracking of disciplinary cases. We have created a one page quick read docket update that can be used for each Board.



Finally, a personal task that he as the Director has under taken has been to restore reciprocity with as many of Kentucky's bordering states as possible. Illinois and Indiana have been negotiated and are both in our possession. Staff will be able to review them shortly. After which they will go back to the reciprocal state for approval and/or revision. Hopefully they will be completed by next month. Despite a great deal of effort the Director stated that he has not been able to make contact with Missouri and Virginia.

#### **Committee Reports**

#### **Education Committee**

There was no Education Committee meeting for this month.

### Diversity, Equity, & Inclusion Subcommittee

They are currently waiting for additional information prior to their next meeting.

#### **Form Committee**

There was no Form Committee meeting for this month.

#### **Applicant Review Committee**

Commissioner King read the report of the Application Review Committee and the Committee's recommended action on each licensee:

At this time the Applicant Review Committee made the following recommendations:

- 1. To approve S.O. a license.
- 2. To approve T.G a license.
- 3. To approve A.J. a license.
- 4. To defer C.T. for the August Meeting.
- 5. To defer C.W. for further investigation.

#### **Complaint Review Committee**

Commissioner Carter read the report of the Complaint Review Committee, and the Committee's recommended action on each Complaint, to be further discussed in Executive Session. The Committee's recommendations are as follows:

#### **Final Adjudications**

1. 20-C-001 – Complainant claimed he was contacted by Respondent in his capacity as a realtor. He claims he gave the Respondent a clear directive to submit an offer to the seller of a property on his behalf. He claims Respondent accepted the task. In addition, the Complainant claims Respondent was negligent. That instead, the Respondent pursued his own self-interest and placed his own offer on the property. In his sworn answer, the Respondent claims he submitted an offer to the seller's agent before ever speaking with Complainant. Afterwards he claims he contacted the Complainant with interest in buying the Complainant's building. He claims the complainant became irate with



demands, at which time Respondent referred him to the listing agent. He claims he did not agree to or comply with Complainant's demands, including to put an offer on the property for or represent Complainant.

The Respondent claims the seller explained his previous relationship/friendship with the Complainant. At that time, the Respondent discussed a release agreement with the seller to allow Complainant to make an offer on the property. The Respondent and the seller signed the release agreement. The Commission believes the lack of evidence of violations and Respondent's release from the contract establishes Respondent committed no wrongdoing. The Committee recommends to the full Commission to dismiss the complaint with caution regarding full disclosure of situations where the agent has personally placed prior offers on a property.

2. 20-C-009 – Complainant received a call from several interested parties stating that they had heard about the subject farm property being for sale and wanted additional information. The Complainant claims the Respondent, agent and broker, had told the individuals about the property. Because the property was not on the MLS or online anywhere, the Complainant contacted the Respondent to request information. He claims the Respondent told him he'd send information on the property once they had finalized a listing contract. Respondent sent the information the next day, but Complainant claims by the time he was able to get information and communicate it to his interested buyers, the property listed by Respondent broker was already under contract with a buyer represented by Respondent agent, who was an affiliate of Respondent broker. Complainant claims the Respondents colluded and shared confidential information about the property to ensure they kept the entire transaction within their brokerage,

In his sworn answer, the Respondent broker claims that he did nothing inappropriate in this transaction that constitutes a violation of real estate law. He claims the seller contacted him about selling the farm. He told her she could sell the property on her own if she wanted, but she chose to list with him. The seller executed a listing contract and had told the Respondent that two neighbors had already contacted her about purchasing the property. The Respondent claims he did not meet with any potential buyers prior to listing the farm for the seller. He claims his client had conversations with potential buyers prior to the signed listing of the farm. Respondent agent claims he had no discussions with Respondent broker about this property other than when the broker asked him to pull the deed for the property. He claims he did his own research and obtained maps of the property for his potential buyers, which Complainant could have done for his buyers instead of waiting for Respondents to send them to him. Respondent agent claimed he was competing with Complainant, as all agents do, and had no duty to send Complainant the requested maps or information. The Commission believes there is no evidence of violations. The Committee recommends to the full Commission to dismiss the complaint.

3. 20-C-013 – In the complaint, Complainant alleges she bought a home with the understanding that the Respondent would help her with significant remodeling projects, including a leaking roof, a gas leak, or alleged asbestos tiles. She claims Respondent told her that he could do the remodeling "at cost" and offered two days of free work from his contractor as a closing gift. The evidence was clear Respondent helped Complainant in many ways, including paying for her home inspection,



paying for the paint and materials for certain work done at the house when she wasn't pleased with it, and convincing his contractors to do work for her at cost. The evidence suggests Respondent only committed to give Complainant access to his contractors, not to actually perform any of the work for her, as he is not a contractor. There is no evidence that the Respondent committed violations of KRS 324.160 or 201 KAR 11:121. The evidence suggests he went above and beyond to help Complainant. He negotiated a lower price for the property, paid for her home inspection and other things at a cost to himself. Despite this assistance, the Complainant never paid for any of the additional work or materials, which is why the contractors did not finish it. Notably, Complainant resold the home a while after for a \$30,000 profit. There is no evidence that the Respondent knew about the leaking roof, gas leak, or alleged asbestos tiles. If he did, he would have had a duty to disclose them, but there is no evidence he had such knowledge. **The Committee recommends to the full Commission to dismiss the complaint.** 

- 4. 20-C-016 The Complainant alleges she purchased a home with the assistance of the Respondent, and communicated immediately upon hiring Respondent that the home had to have adequate high speed internet because of her job. She told Respondent that she worked remotely and her job required her to have high speed internet, so she needed a home that could guarantee that. There was evidence Complainant contacted internet companies for all properties she previously considered purchasing, so Respondent assumed she was handling that for this property, too. Out of an abundance of caution, however, Respondent contacted Spectrum to confirm it provided service for this property, and it told her it did during that call. Likewise, the existing homeowners had high-speed DSL internet through AT&T. For unknown reasons, neither ATT nor Spectrum were ultimately able to provide high speed internet service. There is no evidence that the Respondent made any false promises to Complainant. She also didn't fail to disclose any known defects, because she didn't know of any, nor did she misrepresent the condition of the property, based on her knowledge of it. The Committee recommends to the full Commission to dismiss the complaint.
  - 5. 20-C-020 The Complainant claims that Respondent has allowed her husband, who is not a licensee, to show homes without a license. Complainant claims Respondent has sold lots with conditions that violate covenants, and the broker has not fulfilled his duties to the subdivision, including failure to pave the subdivision and failure to correct drainage problems. He also claims Respondent has broken covenants in order to sell lots with a broker involved. There is no evidence Respondent committed any violations of KREC's statutes or regulations. Because her husband is the co-owner of the properties, there is no unlicensed brokerage issue. Moreover, the issue regarding violation of covenants for allowing a business in the neighborhood appears unfounded for two reasons. First, there is no evidence anyone is running a business out of their home in the neighborhood. Second, even if they were, this is permitted in the Restrictive Covenants, as long as the individual has prior written consent of the owner. There is also no evidence to suggest Respondent has delayed in finishing pavement of the road, as the delays were attributable to the county. The Committee recommends to the full Commission to dismiss the complaint.
- 6. 20-C-022 The Complainant claims the septic tank in the property he purchased quit working. He claims the Respondents said it was pumped out and it was not. An septic technician allegedly told Complainant the septic system appeared to not have been pumped in several years. The Respondent



agreed to pay for the septic tank to be pumped, which was verified by an accompanying invoice. Though he did not witness the tank being pumped, he did pay for it to be pumped. While the seller may have engaged in wrongdoing or a cover up of certain issues, it does not appear Respondent engaged in such conduct. There is no objective evidence he knew about certain of the alleged issues with the property that Complainants allege they have discovered since closing. The Committee recommends to the full Commission to dismiss the complaint.

### **Pending Actions**

- 7. 20-C-011 The Committee found evidence of violations and recommends a formal reprimand, a \$1000 fine per violation, 6 hours of CE in Law in addition to existing CORE requirements, and a 90-day suspension.
- 8. 20-C-018 The Committee found evidence of violations and recommends a formal reprimand, \$1,000 fine, and 6 hours of CE in law in addition to existing CORE requirements.
- 9. 20-C-023 The Committee recommends to send the complaint to Respondent for a sworn answer.
- 10. N.S. Unlicensed Brokerage N.S. license was cancelled from December 16, 2020 until July 2, 2021 for failure to maintain E&O. He was one of the individuals who had the RISC extension, but didn't pay RISC for his 2020-2021 policy. N.S. claims to have had no idea he was cancelled and was actively working with his old and new brokerage during that time period. N.S. has received payments during his cancellation. The Committee recommends to the Commission to file a complaint by the KREC against N.S., his previous Principal Broker and designated manager at the time.

#### **Executive Session Legal Matters and Case Deliberations**

At 9:33 a.m. Commissioner Simpson made a motion to enter executive session, pursuant to KRS 61.810(1)(c) and (j), and KRS 61.815 to deliberate on individual adjudications and to discuss 5 new applications and the 10 above CRC case recommendations as offered by Commissioner King:

• 20-C-001

• 20-C-016

20-C-023

• 20-C-009

• 20-C-018

N.S. unlicensed

20-C-011

• 20-C-020

brokerage.

20-C-013

• 20-C-022

Commissioner King seconded the motion and the Commission entered into closed session discussion.

#### Reconvene Open Session and Committee Recommendations

Commissioner Simpson motioned for the Commission to come out of executive session and Commissioner Carter 2<sup>nd</sup> the motion. Commission Chair Disponett resumed the full Commission meeting at 10:01 a.m. and welcomed everyone back attending the teleconference Commission meeting.



Commissioner Simpson made the motion to adopt the **Applicant Review Committee** items as previously recommended to the Commission. Commissioner King 2nd the motion. Having all in favor, motion carried.

Commissioner Carter made the motion to adopt the **Complaint Review Committee** recommendations as previously stated to the Commission. Commissioner Simpson 2nd the motion. Having all in favor, motion carried.

### **Agency and Disclosure Form Revisions**

General Counsel briefly went through each comment and received recommendations changes.

- KREC Form 400: A Guide to Agency Relationships
- KREC Form 401: Agency Consent Agreement (Buyer)
- KREC Form 401: Agency Consent Agreement (Seller)
- KREC Form 402: Seller's Disclosure of Property Conditions

Commissioner Carter made the motion to send the forms back to the Form Committee to make changes based on many of the public comments and suggestions. Commissioner Simpson 2nd the motion. Having all in favor, motion carried.

#### **Public Comment**

Chairperson Disponett opened the floor for public comments.

Jason Vaughn asked to speak to the Commission. He believed the removal of the 'unknown' category could cause issues of reckless fraud. There is fraud by misrepresentation, fraud by omission, and reckless fraud. Such as, to represent something as fact when you do not know if it is true or not. By only giving the options of 'yes and no' you are leaving room for more chances of reckless fraud to occur. Many people if they do not know, they will check 'no'. If that is their only option. Which could cause issues for them in the long run.

Charles Hinkley, President of KY Realtors, asked to speak to the Commission. Mr. Hinkley discussed the recommended changes submitted by their members for the Commission's consideration.

Douglas Meyers, Vice President of GLAR, asked to speak to the Commission. Mr. Meyers discussed the recommended changes submitted by their members for the Commission's consideration.

Tom Cox asked to speak to the Commission. Mr. Cox encouraged the Commission to vote against any actions at this time other than for full reconsiderations of the "Whys" of the forms. The forms are not bad forms, but they were not developed with a clear and present understanding of the needs for the forms. Mr. Cox doesn't want the Commission members to go back to the drawing board on the construction of the forms, but go back to the foundations of the laws and regulations. What is the need for those laws? What protections are they creating? Who are they protecting, and from whom are they protecting? He believes that an overhaul of the statutes and regulation are needed first. In addition, he feel that three of the four forms, the KREC Form 402: Seller's Disclosure of Property Conditions, could be completely done away



with, such as in the state of Indiana, where the Broker submits a letter.

Cathy Corbett asked to speak to the Commission. Ms. Corbett reiterated her sentiments from her recommendations as they were presented to the Commission previously.

Earlene Woods asked to speak to the Commission. Ms. Woods stated that KREC is a Consumer Protection Agency. When the seller says "No" it puts not only themselves in a bad position but also the buyers.

Rhonda Richardson asked to speak to the Commission, Ms. Richardson commented on the removal of 'unknown'. The regulation and the forms both say over a dozen times — 'unknown, known, acknowledged and no'. It asks that the seller tell what they know. Yet now, with the removal of 'unknown', there is no way for them to tell you 'I don't know'. Same with 'were you aware'. Without this, it opens up the seller to potential litigation. If one is to say 'yes, no or unequitable' when the answer is 'I don't know' and you did not have anywhere to put it - you will get sued.

The form also stated that it is not a warranty to the buyer and that the buyer has an obligation to do their diligence. Based on this, then they really do not.

The Methamphetamine Contamination Disclosure request goes against statute KRS 224:1:410, which states 'if the property has been decontaminated then the seller has no duty to disclose it', making this form inconsistent with that law.

She believes the biggest trap for the seller is on KREC Form 402: Seller's Disclosure of Property Conditions, section 13 - Do you know anything else about the property that that should be disclosed to the Buyer? She feels that it creates no limit is to what the buyer can come back and claim that the seller failed to disclose.

Jeff Thornton asked to speak to the Commission, Mr. Thornton wanted to note that while we are looking at forms as a written documents, that there are a lot of ways to simplify the forms by having other kinds of training available. Such as a video explaining the difference between 'no and unknown' and reference the training on the form by providing links.

Gina Schaal asked to speak to the Commission, she asked that Director Astorino to help expedite the Illinois reciprocity agreement if possible.

There were no additional comments or questions for the Commission at this time. The Commissioners thanked everyone for their comments and suggestions.

## **Legal Report**

General Counsel reiterated how he and the Commission appreciated the input concerning the forms. It is helpful in getting them to be the best possible version of themselves prior to submitting them to



Legislative Research Commission (LRC). He anticipates that the Commission will not submit them to LRC until they comply with the law.

#### **Docket Update**

Looking over the docket the last few months GC stated that we have been averaging 10-15 incoming complaints per month. When you hear that there are 'dismissals' it is because there were no violations. With others there are disciplinary recommendations because there are varying degrees of severity concerning the violation(s). Our current docket has 114 open cases, many of which are in various stages of the process. We are now into the back log cases of 2020 - almost all those cases, except of a few have been presented to the Commission. When GC first started all of the 2020, 2019 and many of the 2018 complaints had yet to be presented before the Commission. He is hoping to have the docket current by the end of the year. We currently have a number of cases that we are waiting on to negotiate discipline with the licensees, or refer them to a hearing. We are currently working diligently on that. As always GC wanted to thank Brian Travis and Angie Reynolds for their continued efforts on the docket.

There are a few Administrative Hearings in the works right now. One of which is our largest collective case, comprised of 12 complaints. There are significant issues and damages. We are in the process of setting up the Pre-Hearing conference. He is optimistic that the Hearing Officer will be able to corral all the complainants and respondents involved. There are a few other complaints that are also moving through the Hearing process at this time.

We will continue to make progress on the docket and to move through the cases as fast as we can. Then again, sometimes people are not always happy with how fast we move through the complaints, but if you have any experience with the legal world, as frustrating as it is, then you know that sometimes this is just how cases go. Many times it is to make sure that the correct outcome is reached.

#### **New Business**

#### Wholesale Real Estate

GC has researched the practice of Wholesale Real Estate. It is GC understanding that basically 'Wholesaling' is when an individual makes an offer on a property, gets it under contract, and in turn sells their interest in that contact to a third party for a fee. Under our laws that is not considered unlicensed real estate brokerage. However this can be changed, other states have done so – but it would require a statute change.

Issues arise if someone represents themselves as an agent/broker and they are not licensed. The individuals are representing themselves as the buyer and not a commissioned agent, then in turn selling their 'property interest' in that contract.

Many Commissioners voiced concern about the possibility of these type of deals taking advantage of home buyers because they may or may not understand the process or the true value of the home listed on the contract. It also effects possible offers on that same property from other potential buyers because the



Wholesaler has no interest to closing the contract until they find someone to sell their interest to. Therefore blocking anyone else's interest in the property.

#### **Arello Meeting**

Arello had a meeting about three weeks ago and even though Chairperson Disponett could not attend in person, she attended the sessions via Zoom. She currently sits on the Examination Accreditation Committee and they will be meeting again tomorrow. One of the things they will be addressing is the love letters that we all get – send with offer etc. and if that is violating the Fair Housing. She has also asked GC to check into that.

#### **Approval Per Diem**

- 1. Commissioner Disney made a motion to approve the per diem for Commissioners Simpson and Commissioner King for the attendance of the June 14, 2021 Application Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Cline 2nd the motion. Having all in favor, the motion carried.
- 2. Commissioner Simpson made a motion to approve the per diem for Commissioners Cline and Commissioner Carter for the attendance of the July 14, 2021 Complaint Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner King 2nd the motion. Having all in favor, the motion carried.
- 3. Commissioner King made a motion to approve the per diem for the July 15, 2021 KREC Regular meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Carter 2nd the motion. Having all in favor, the motion carried.

The Commissioners agreed by majority to continue to meet via Zoom per the strong recommendation and preference of the Cabinet Administration.

#### **Meeting Adjournment**

The next KREC meeting will be August 19, 2021 at 9:00 a.m. for the regular meeting. Watch for a zoom link.



Commissioner King made a motion to adjourn the meeting. Commissioner Simpson seconded. Meeting adjourned at 11:36 a.m.

I, Robert Astorino, Executive Director of the Kentucky Real Estate Authority, have reviewed and pursuant to KRS 324B.060, have (Approved or Disapproved) the Kentucky Real Estate Commission (Insert name of Board) expenditures of the as described in these attached minutes. Meeting Date July 15, 2021 I have not reviewed, nor did I participate in discussions, deliberations, or decisions regarding, the actions of the Board as it relates to individual disciplinary matters, investigations, or applicant reviews. Robert Astorino, KREA Executive Director Date July 15, 2021